

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 CAPITOL MALL, 17TH FLOOR
SACRAMENTO, CALIFORNIA 95814**

NOTICE OF AVAILABILITY OF CHANGED TEXT

**File No. RH-01-017313
December 2, 2002**

COMMISSIONER'S REPORT ON UNDERSERVED COMMUNITIES

On December 28, 2001, the Commissioner of the Department of Insurance (Commissioner) proposed amendments to Title 10, Chapter 5, Subchapter 4.8, Article 6, of the California Code of Regulations, Sections 2646.6 through 2646.11, inclusive.

Pursuant to that notice, the Commissioner held public hearings on February 22, 2002 in San Francisco and on February 28, 2002 in Los Angeles, to gather and make available to the public, information and public comment concerning the affordability and availability of insurance products in Underserved Communities.

PUBLIC COMMENTS RECEIVED

During the public comment period (December 28, 2001 through February 28, 2002), the Commissioner received written and/or oral comments from insurers, consumers and interested parties.

CHANGES MADE AS A RESULT OF PUBLIC COMMENTS:

As a result of the public comments received, the Commissioner has made changes to the regulations as originally proposed. The Commissioner believes that the changes are either non-substantial, solely grammatical in nature or are sufficiently related to the original text that the public was adequately placed on notice that the change(s) could result from the originally proposed regulatory action.

PUBLIC COMMENT INVITED ON CHANGES:

Pursuant to the provisions of California Government Code Section 11346.8(c), the Commissioner is soliciting written public comment on the amended regulations. Additions to the text of the regulations as originally proposed on December 28, 2001 were indicated via underline (additions) and ~~strikeout~~ (deletions).

Additional changes to the full text of the regulation are indicated via double underline (new additions) and ~~double strikeout~~ (new deletions). Text that was stricken in the December 28, 2001 proposed amendments, which the Commissioner now proposes to retain is in **bold underlined** text.

These proposed new amendments to the regulation are available for public comment for a period of 15 days.

PROPOSED AMENDMENTS

The Commissioner proposes the following specific amendments:

CCR 2646.6 Definitions

"Insurer" means those carriers admitted to transact the business of insurance in California and the California Fair Access to Insurance Requirements (FAIR) Plan.

The definition of "insurer" has been amended to include data submitted to and/or gathered by the California Fair Access to Insurance Products (FAIR) Plan.

CCR 2646.6(b)

- (3) the number of independent, employed or captive agents or-agencies ~~and the number of employed or independent claims adjusters maintaining offices (including home offices)~~ in the ZIP code during the reporting period;
and
- (5) the number of agents ~~agencies and claims adjusters~~ maintaining offices in the ZIP code during the reporting period who identified themselves as conversant in a language other than English, listed by languages as specified *below*: ~~in the Department of Insurance's Statistical Plan, dated June 2, 1995.~~

These sections have been amended to retain the reference to "agents", so that the Department may continue to gather data regarding the number of agents by ZIP code in Underserved Communities.

CCR 2646.6 [Penultimate sentence]

The Department's form is available on the Department's website, ~~at www.insurance.ca.gov.~~

This sentence has been amended to eliminate the reference to the Department's website address, in the event that the address changes in the future.

CCR 2646.6

~~(c) After properly noticed hearing is conducted in accordance with the Insurance Code Sections 1861.08 et seq., with the Commissioner having all powers granted therein, any insurer failing to comply with the provisions of these sections will be subject to a fine of five thousand dollars (\$5,000) per day until the insurer has met compliance, and/or the suspension of the insurer's Certificate of Authority for not more than one year.~~

This section has been deleted pending the resolution of litigation between insurance carriers, the Department and Intervenor (State Farm v. Low, S102251), wherein the carriers have asserted that certain data gathered pursuant to these regulations is "trade secret". This matter has been fully briefed before the California Supreme Court and the parties are awaiting a hearing date.

CONTACT PERSON:

All written comments submitted in response to this Notice and all questions regarding this Notice should be directed to:

California Department of Insurance
Attention: Natasha R. Ray, Senior Staff Counsel
300 Capitol Mall, 17th Floor
Sacramento, CA 95814
(916) 492-3559

DEADLINE FOR WRITTEN COMMENTS:

All written comments on the changes must be received by the Insurance Commissioner, at the address listed above, no later than **4:30 p.m. on Tuesday, December 17, 2002.**

Comments previously submitted regarding these regulations should not be resubmitted, as they are already part of the rulemaking file.

ACCESS TO COPIES – CONTACT PERSON:

Any interested person may inspect a copy of the proposed regulations and any supplemental information contained in the rulemaking file. The rulemaking file is available for inspection at 300 Capitol Mall, 17th floor, in Sacramento, California, between the hours of 9:00 and 4:30 p.m., Monday through Friday.

Requests for copies of the proposed regulations or any information contained in the rulemaking file, and specific questions, should be directed to:

California Department of Insurance
Attention: Natasha R. Ray, Senior Staff Counsel
300 Capitol Mall, 17th Floor
Sacramento, CA 95814
(916) 492-3559

AUTOMATIC MAILING:

A copy of this notice, together with the text of the proposed changes, will automatically be sent to all those who testified at the public hearing or submitted oral or written comment during the public comment period, requested copies of information regarding the regulations, or requested notification of the availability of such changes.

December 2, 2002

HARRY W. LOW
Insurance Commissioner

By _____
Natasha R. Ray
Senior Staff Counsel